MONBERG & THORSEN A/S

21.11.06
Stock Exchange Announcement No. 18, 2006

Interim report - Third quarter 2006

At its meeting today, the Supervisory Board of Monberg & Thorsen A/S approved the interim report for the period 1 January - 30 September 2006. The interim report is unaudited.

Copenhagen, 21 November 2006
Supervisory Board and Executive Board

Mogens Granborg	Jørgen Nicolajsen
Chairman	President and CEO

Questions relating to this announcement should be directed to Jørgen Nicolajsen, President and CEO, on telephone +45 3546 8000.

The interim report can also be viewed on www.monthor.com

This announcement is available in Danish and English. In case of doubt, the Danish version shall prevail.

Reg. No. 12 61 79 17

As mentioned in the Stock Exchange Announcement dated 13.11.06, Monberg & Thorsen is being hit in MT Højgaard, in particular, by the overheated construction market

- **Monberg & Thorsen** delivered third-quarter profit before tax of DKK 206 million compared with DKK 52 million in the third quarter of 2005. The third-quarter profit benefited from non-recurring income of DKK 170 million on sale of the shares in Denerco Oil.

- **Dyrup**'s result was slightly up on 2005, although it was affected by non-recurring items in connection with the implementation of STRATEGY 2008 that will be somewhat more cost-intensive for 2006 than anticipated.

- The profit share from **Denerco Oil** up to the date of sale was better than expected as a consequence of the persistently high oil prices.

- **MT Højgaard** reported an unsatisfactory result, primarily as a result of price increases in the overheated construction market.

- Full-year 2006 profit after tax is now expected to be in the region of DKK 200 million, as announced in our Stock Exchange Announcement No. 16 dated 13.11.06.

THE GROUP

Financial highlights for Monberg & Thorsen

DKKm	Q3			YTD		
	2005	**2006**	Change	2005	**2006**	Change
Revenue:						
Dyrup	463	**471**	2%	1,371	**1,353**	-1%
MT Højgaard (46%)	1,016	**1,355**	33%	2,682	**3,656**	36%
	1,479	**1,826**	23%	4,053	**5,009**	24%
Operating profit (EBIT)	57	**208**		129	**292**	
Profit before tax	52	**206**		116	**278**	
Profit after tax	50	**201**		99	**260**	

The significant revenue growth of almost 25% in both the third quarter and YTD was attributable solely to MT Højgaard.

Dyrup reported satisfactory third-quarter revenue growth in Germany and Portugal, whereas YTD revenue was still slightly down on 2005, primarily reflecting the sharpened competition in the French market.

Profit before tax of DKK 206 million included the profit of DKK 170 million on sale of the shares in Denerco Oil. The profit was slightly lower than previously announced, as the profit share recognised up to the date of sale was slightly higher than anticipated. As previously announced, the sale was completed on 11 August 2006.

Operating profit (EBIT) developed as follows:

DKKm	Q3			YTD		
	2005	**2006**	Change	2005	**2006**	Change
Dyrup	22	**32**	10	66	**69**	3
MT Højgaard (46%)	22	**(4)**	-18	38	**13**	-25
Oil interests after tax	15	**182**	167	30	**215**	185
Parent company	(2)	**(2)**	-	(5)	**(5)**	-
	57	**208**	159	129	**292**	163

Dyrup reported YTD operating profit of DKK 69 million despite the lower sales and increasing raw material prices.

The main contributor to this was the positive effect of the efficiency improvement measures implemented in 2005 and the reduction of the cost base. The result includes special non-recurring items related to the implementation of STRATEGY 2008, which, however, were offset by non-recurring income on sale of trade mark rights in Egypt.

Dyrup's results are described in the attached appendix, which gives a detailed account of the development within the paint and varnish company.

MT Højgaard reported a small loss in the third quarter and an unsatisfactory operating profit of DKK 29 million for the first nine months, of which Monberg & Thorsen's share was 46%, equivalent to DKK 13 million.

Operating profit was considerably lower than anticipated, primarily as a result of the overheated construction market, which means a continuing negative development on some large residential and refurbishment projects in Greater Copenhagen. All other areas are following the strategy laid, delivering a highly satisfactory earnings performance.

The order book stood at DKK 9.9 billion at 30.09.06, equivalent to approx. eleven months' production.

Stock Exchange Announcement No. 17 concerning MT Højgaard issued earlier today gives a detailed account of the development within the contracting activities.

The profit share from **Denerco Oil** was slightly higher than anticipated as a consequence of the persistently high oil price. The profit share is recognised up to the date of sale. The result from the oil interests includes non-recurring income of DKK 170 million from sale of the shares.

The parent company delivered operating profit in line with expectations.

The low effective tax rate reflected the fact that the sale of the shares in Denerco Oil does not trigger any tax.

Accounting policies

The interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting”. The accounting policies are unchanged from those set out in the 2005 annual report.

Outlook for 2006

Consolidated revenue is still expected to be in the region of DKK 6.5 billion, with profit after tax in the region of DKK 200 million as stated in Stock Exchange Announcement No. 16 dated 13.11.06 in which we revised the profit outlook downwards from the DKK 270 million level due to the lower profit outlook for both Dyrup and MT Højgaard.

The projections concerning future financial performance are subject to uncertainty and risks that may cause the performance to differ from the projections expressed in this report. The main risks are described in the section ”Risk factors” in the 2005 annual report.

The outlook for the individual companies is based on stable interest rate and exchange rate levels and on the following assumptions:

Dyrup does not expect any improvement in the market situation for the rest of the year. Full-year 2006 revenue is therefore expected to be slightly down on 2005.

The full-year result is expected to be a loss after tax in the region of DKK 30 million, due partly to costs and write-downs in connection with the implementation of STRATEGY 2008, including, especially, the focusing of Dyrup.

MT Højgaard expects revenue of just over DKK 11 billion and pre-tax profit in the region of DKK 50 million.

The profit share from the oil interests, including the profit from the sale of the shares in **Denerco Oil,** will be the same for the full year as is included for this period.

Other information

Monberg & Thorsen did not buy back any treasury shares in the three quarters under review. The portfolio of treasury shares is 2,645 nos. B shares.

The financial calendar for 2007 will be issued separately after this interim report.

Statement by the Executive and Supervisory Boards

The Executive and Supervisory Boards have today considered and approved the interim report of Monberg & Thorsen A/S for the period 1 January - 30 September 2006.

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies. The interim report is unaudited.

We consider the accounting policies applied to be appropriate. Accordingly, the interim report gives a true and fair view of the Group's financial position at 30 September 2006 and of the results of the Group's operations and the consolidated cash flows for the accounting period 1 January - 30 September 2006.

Copenhagen, 21 November 2006

Executive Board

Jørgen Nicolajsen
President and CEO

Supervisory Board

Mogens Granborg Chairman	Hans Bennetzen Deputy Chairman	Magnus Bertelsen Employee-elected member
Anders Colding Friis	Poul Lind	Jan Munkholm Employee-elected member
Henrik Thorsen	Gerrit Dirk Toet Employee-elected member	Carsten Tvede-Møller

Appendices: *Financial highlights*
Consolidated balance sheet and Statement of changes in equity
Quarterly statements
Detailed statement for Dyrup A/S

Financial highlights

DKKm	Year 2005	Q3 2005	Q3 **2006**	YTD 2005	YTD **2006**
Income statement					
Revenue:					
Dyrup	1,681	463	**471**	1,371	**1,353**
MT Højgaard (46%)	3,893	1,016	**1,355**	2,682	**3,656**
	5,574	1,479	**1,826**	4,053	**5,009**
Operating profit before associates	22	42	**198**	99	**77**
Share of profit after tax of associates	42	15	**10**	30	**215**
Operating profit (EBIT)	64	57	**208**	129	**292**
Net financing costs	(21)	(5)	**(2)**	(13)	**(14)**
Profit before tax	43	52	**206**	116	**278**
Profit after tax	62	50	**201**	99	**260**
Monberg & Thorsen's share of consolidated profit	59	49	**200**	98	**258**
Balance sheet					
Interest-bearing assets	347			334	**781**
Interest-bearing liabilities	589			744	**684**
Invested capital	1,695			1,902	**1,574**
Equity	1,365			1,404	**1,582**
Balance sheet total	3,520			3,543	**4,317**
Cash flow statement					
From operating activities	216	180	**67**	(1)	**15**
For investing activities*	(222)	(15)	**(26)**	(182)	**(88)**
From financing activities	(96)	(7)	**(12)**	(86)	**(47)**
Net increase (decrease) in cash and cash equivalents	(102)	158	**29**	(269)	**(120)**
*Portion relating to property, plant and equipment	(136)	(41)	**(30)**	85	**96**
Financial ratios (%)					
Operating margin (EBIT margin)	0.4			2.4	**1.5**
Return on invested capital (ROIC)	4			7*	**14***
Return on equity (ROE)	5			7*	**18***
Equity ratio	39			40	**37**
Share ratios (DKK per DKK 20 share)					
Earnings per share	16			27	**72**
Cash flow from operations (CFFO)	60			0	**4**
Book value	378			390	**439**
Market price	464			472	**560**
Market price/book value	1.2			1.2	**1.3**
Market capitalisation DKKm (incl. holding of treasury shares)	1,663			1,692	**2,008**

*) Not converted to full-year figures.

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and Danish disclosure requirements for interim reports of listed companies. The accounting policies are unchanged from those set out in the 2005 annual report.

The financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2005'. The definitions of the financial ratios used appear from the 2005 annual report.

Consolidated balance sheet and Statement of changes in equity

Consolidated balance sheet (DKKm)	Year 2005	YTD 2005	YTD **2006**
ASSETS			
Intangible assets	149	139	**146**
Property, plant and equipment	869	860	**877**
Investments	365	314	**106**
Total fixed assets	1,383	1,313	**1,129**
Inventories	413	483	**444**
Work in progress, net	217	177	**276**
Receivables	1,161	1,236	**1,687**
Cash and cash equivalents and securities	346	334	**781**
Total current assets	2,137	2,230	**3,188**
Total assets	3,520	3,543	**4,317**
EQUITY AND LIABILITIES			
Equity attributable to Monberg & Thorsen	1,356	1,397	**1,573**
Equity attributable to minority interests	9	7	**9**
Total consolidated equity	1,365	1,404	**1,582**
Non-current liabilities, provisions	113	99	**114**
Non-current liabilities, interest-bearing	318	321	**247**
Work in progress, net	239	289	**590**
Current liabilities, interest-bearing	271	423	**438**
Other current liabilities	1,214	1,007	**1,346**
Total equity and liabilities	3,520	3,543	**4,317**

Statement of changes in consolidated equity (DKKm)	Year 2005	YTD 2005	YTD **2006**
Equity at start of period	1,362	1,362	**1,365**
Foreign exchange adjustments, etc.	(1)	0	**0**
Share of profit for the period after tax	62	99	**260**
Dividend to shareholders	(58)	(57)	**(43)**
Buyback of treasury shares	0	0	**0**
Equity at end of period	1,365	1,404	**1,582**

Quarterly statements

DKKm	2006				
	Q1	Q2	**Q3**	Q4	Total
Income statement					
Revenue:					
Dyrup	378	504	**471**		
MT Højgaard (46%)	1,077	1,224	**1,355**		
	1,455	1,728	**1,826**		
Operating profit (EBIT)					
Dyrup	1	36	**32**		
MT Højgaard (46%)	8	9	**(4)**		
Oil interests after tax	18	15	**182**		
Parent company's operations	(2)	(1)	**(2)**		
Total operating profit	25	59	**208**		
Net financing costs	(5)	(7)	**(2)**		
Profit before tax	20	52	**206**		
Profit after tax	20	39	**201**		
Monberg & Thorsen's share of consolidated profit	20	38	**200**		
Cash flow statement					
From operating activities	(41)	(11)	**67**		
For investing activities*	(27)	(35)	**(26)**		
From financing activities	(2)	(33)	**(12)**		
Net increase (decrease) in cash and cash equivalents	(70)	(79)	**29**		
*Portion relating to property, plant and equipment	(29)	(37)	**(30)**		

DKKm	2005				
	Q1	Q2	Q3	Q4	Total
Income statement					
Revenue:					
Dyrup	381	527	463	310	1,681
MT Højgaard (46%)	690	976	1,016	1,211	3,893
	1,071	1,503	1,479	1,521	5,574
Operating profit (EBIT)					
Dyrup	(2)	46	22	(99)	(33)
MT Højgaard (46%)	(9)	25	22	24	62
Oil interests after tax	6	9	15	13	43
Parent company	(2)	(1)	(2)	(3)	(8)
Total operating profit (loss)	(7)	79	57	(65)	64
Net financing costs	(3)	(5)	(5)	(8)	(21)
Profit (loss) before tax	(10)	74	52	(73)	43
Profit (loss) after tax	(5)	54	50	(37)	62
Monberg & Thorsen's share of consolidated profit	(5)	54	49	(39)	59
Cash flow statement					
From operating activities	(113)	(68)	180	217	216
For investing activities*	(43)	(124)	(15)	(40)	(222)
From financing activities	(9)	(70)	(7)	(10)	(96)
Net increase (decrease) in cash and cash equivalents	(165)	(262)	158	167	(102)
*Portion relating to property, plant and equipment	(21)	(23)	(41)	(51)	(136

Detailed statement - Third quarter 2006 - Dyrup A/S

- **The focusing of Dyrup will be more cost-intensive and take longer than anticipated**
- **Satisfactory third-quarter revenue performance in Germany and Portugal**
- **Sharpened competition in France affected sales and results adversely**
- **The initiatives implemented in 2005 are reducing the cost base, as expected**

The Dyrup Group delivered revenue for the first nine months of DKK 1,353 million, slightly down on 2005.

Viewed in isolation, third-quarter revenue was approx. 2% ahead of the third quarter of 2005, despite the continued challenges in the French market, where the competitive situation has sharpened substantially; however, the improvement was not sufficient to offset the lack of sales in the first half.

The raw materials, which are related to the oil price, reached their highest level in the third quarter. Despite this, operating profit was DKK 69 million versus DKK 66 million in 2005.

The main contributor to this was the fact that the effects of the efficiency improvement programme from 2005 are being felt in the form of a reduced cost base and improved efficiency. The result included special non-recurring items related to the implementation of STRATEGY 2008, which, however, were offset by non-recurring income on sale of trade mark rights to a former licensee in Egypt. Profit before tax was DKK 52 million compared with DKK 51 million the previous year.

Capital expenditure on property, plant and equipment in the first nine months was DKK 13 million versus DKK 34 million in 2005. The free cash flow from operations was an outflow of DKK 30 million compared with an outflow of DKK 55 million for the corresponding period in 2005, reflecting a reduction in funds tied up in working capital.

Market conditions

It is estimated that the European paint and wood care market in Dyrup's relevant markets showed modest growth in the third quarter and the first three quarters as a whole of just over 1%, which is also expected for the year as a whole.

The large European DIY markets are still characterised by fierce price pressure and retailers placing increasing demands on suppliers, sharpening competition still further.

Consolidated revenue in the principal markets can be broken down as follows:

DKKm	Q1-Q3 2005	**Q1-Q3 2006**	Change %
Denmark	335	**336**	0
France	372	**347**	-7
Germany	203	**210**	4
Portugal	163	**164**	1

In Denmark Dyrup reported sound growth in the professional area in both the third quarter and the first nine months of the year as a result of the high level of activity in the construction sector. The trend within the industrial area, in particular, is going in the opposite direction.

Market conditions in France are still being marred by price pressure and intense competition, impacting on the retail trade and the DIY market, which account for most of Dyrup's sales.

In Germany Dyrup recorded good growth of 22% in the third quarter, which was instrumental in Dyrup once again being number one within wood care for DIY in Germany.

In Portugal Dyrup delivered third-quarter growth of 11% with sustained strong growth within DIY and signs of growth in the professional area. The progress continues to reflect sound development within the new paint concepts.

With third-quarter growth of 6%, Dyrup is continuing its positive trend in Spain within both DIY and the professional area.

In Poland, Dyrup delivered third-quarter growth of 5%, which is still driven by industrial sales, which were up 24%.

Strategy

Dyrup is still folllowing STRATEGY 2008, which focuses on development and strengthening of Dyrup's strong positions within selected geographical markets and product categories. The introduction of an efficiency improvement programme based on Lean principles at Dyrup's manufacturing sites is continuing.

As stated in the Stock Exchange Announcement for the first half, the implementation of STRATEGY 2008 is taking longer than anticipated, and it has been established that the objectives for STRATEGY 2008 cannot be achieved within the strategy period. It has also been established that the costs for implementation of the strategy will be substantially higher than originally anticipated, particularly in connection with the winding up of loss-making activities. The costs, including write-downs of inventories, tinting equipment, etc., will affect the result for 2006 by significant amounts.

STRATEGY 2008 and the objectives will be reviewed during 2007 in the light of current developments. Significant strategic measures are still needed in connection with the necessary strengthening and focusing of Dyrup.

Outlook for 2006

Based on the current part of the financial year, revenue is now expected to be slightly down on 2005.

The result is now expected to be a loss after tax in the region of DKK 30 million, due partly to costs and write-downs in connection with the implementation of STRATEGY 2008, including, especially, the focusing of Dyrup.

Financial highlights for Dyrup A/S

Financial highlights in DKKm	Year	3. quarter		År til dato	
	2005	2005	**2006**	2005	**2006**
Income statement					
Revenue	1,681	463	**471**	1,371	**1,353**
Operating profit	(32)	22	**32**	66	**69**
Net financing costs	(23)	(5)	**(6)**	(15)	**(17)**
Profit (loss) before tax	(55)	17	**26**	51	**52**
Profit (loss) after tax	(26)	17	**21**	41	**37**
Balance sheet					
Interest-bearing assets	35			26	**35**
Interest-bearing liabilities	507			546	**502**
Invested capital	980			1,152	**1,068**
Consolidated equity	487			553	**522**
Balance sheet total	1,274			1,452	**1,441**
Cash flow statement					
Depreciation - property, plant and equipment	56	13	**13**	41	**39**
Capital expenditure - property, plant and equipment	38	7	**4**	34	**13**
Cash flow from operating activities	64	92	**87**	(55)	**(30)**
Cash flow for investing activities	(58)	(6)	**(13)**	(44)	**(23)**
Cash flow from financing activities	(88)	0	**0**	(79)	**(9)**
Financial ratios (%)					
Operating margin (EBIT margin)	1.9	4.6	**6.7**	4.8	**5.1**
Return on invested capital (ROIC)	(3.3)			6.1*	**6.7***
Equity ratio	39			38	**36**
Number of employees	1,045			1,008	**956**

*) Not converted to full-year figures.